

INTRODUCTION TO ACQUISITION PLANNING

Definition

FAR 7.101

Acquisition planning is the process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.

Acquisition planning is an essential element in the presolicitation phase of the procurement cycle. It ensures that program requirements, funding, sources of supply, statutory requirements, and the contracting resources necessary to accomplish the acquisition are all considered in the development of the solicitation and award of the contract.

Policy

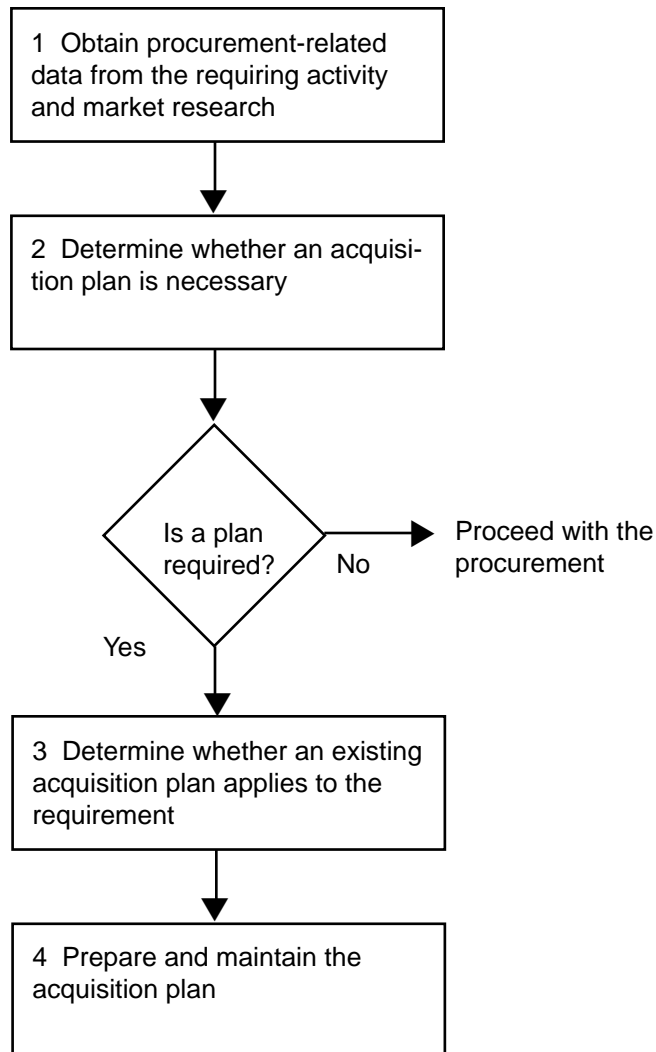
FAR 7.102

Agencies shall perform acquisition planning and conduct market surveys for all acquisitions in order to promote and provide for full and open competition. If full and open competition is not required, acquisition planning is used to obtain competition to the maximum extent practicable. The purpose of acquisition planning is to ensure that the Government meets its needs in the most effective, economical, and timely manner.

Steps in Performance

The steps in acquisition planning are charted on the next page. The process is discussed following the flowchart.

STEPS IN PREPARING AN ACQUISITION PLAN



STEPS IN PREPARING AN ACQUISITION PLAN

2.2 ACQUISITION PLANNING

2.2.1 Obtain Procurement-Related Data

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Acquisition planning should begin as soon as the agency need is identified, preferably well in advance of the fiscal year in which contract award is necessary.

One of the first things you should do when planning an acquisition is identify and obtain procurement-related data from the materials discussed in Section 2.1, Forecasting Requirements. The data you obtain will include—

- The identity of the supplies and services to be procured;
- Acquisition histories on needed supplies and services;
- Market research findings;
- Decisions on whether to use presolicitation notices, conferences, et al;
- Alternative techniques to enhance competition and breakeven points; and
- Program baselines (milestones, cost, and performance).

2.2.2 Determine Whether A Written Acquisition Plan Is Required

The FAR does not identify when written acquisition plans must be prepared. The responsibility to determine whether a written plan is required is placed on an agency head. The requirement for written plans varies from agency to agency.

Generally, you will develop a written plan for a complex requirement that will take an extended period of time to award. Whether or not the plan is committed to writing, you are required to do the following:

- Record and document key procurement planning decisions;
- Identify tasks necessary to award the contract and key decision points;
- Identify the person or persons responsible for each task; and
- Identify officials who are responsible for concurrences, clearances, or approvals.

2.2.3 Determine Whether An Existing Acquisition Plan Applies

When conducting your research, analyze previous contract files for the same or similar requirements to determine whether a plan already exists.

- You do not need to develop a new plan if one already exists.
- You may need to modify portions of an existing plan. Check to ensure that the following are accurate:
 - Dates
 - Quantity
 - Set-asides
 - J&A
 - Market conditions data
 - Dollar amounts
 - Source List
 - D&F

2.2.4 Prepare and Maintain an Acquisition Plan

An acquisition plan must identify those milestones at which decisions related to the items listed in Exhibit 2-1 should be made.

ACQUISITION CYCLE MILESTONES

FAR 7.105(b)(18)

- Acquisition plan approval
- Statement of work
- Specifications
- Data requirements
- Completion of acquisition-package preparation
- Purchase request
- Justification and approval for other than full and open competition where applicable and/or any required D&F approval
- Issuance of synopsis
- Issuance of solicitation
- Evaluation of proposals, audits, and field reports
- Beginning and completion of negotiations
- Contract preparation, review, and clearance
- Contract award

Exhibit 2-1

An acquisition plan addresses all the technical, business, management, and other significant considerations that control an acquisition. In preparing a plan, follow the applicable instructions in Exhibits 2-2 and 2-3, together with the agency's implementing procedures.

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At key dates specified in the plan or whenever significant changes occur, and no less often than annually, review the plan, and if appropriate, revise it.

CONTENTS OF AN ACQUISITION PLAN: ACQUISITION BACKGROUND AND OBJECTIVES

Statement of need - Present a brief statement of need. Summarize the technical and contractual history of the acquisition. Discuss acquisition alternatives and any related in-house effort.

Applicable conditions - State all significant conditions affecting the acquisition, such as requirements for compatibility with existing or future systems or programs, and any known cost, schedule, and capability or performance constraints.

Cost - Establish cost goals for the acquisition and provide the rationale supporting them.

Life-cycle cost - Discuss how life-cycle cost will be considered. If not used, explain why. If appropriate, discuss the cost model used to develop life-cycle cost estimates.

Design-to-cost - Describe the design-to-cost objective(s) and underlying assumptions, including the rationale for quantity, learning curve, and economic adjustment factors. Describe how objectives are to be applied, tracked, and enforced. Indicate specific related solicitation and contractual requirements to be imposed.

Application of should-cost - Describe the application of should-cost analysis.

Capability of performance - Specify the required capabilities or performance characteristics of the supplies or services being acquired and state how they are related to the need.

Delivery or performance-period requirements - Describe the basis for establishing delivery or performance-based requirements. Explain any urgency that results in concurrent development and production or constitutes justification for not providing for full and open competition.

Trade-offs - Discuss trade-offs among cost, capability or performance, and schedule goals.

Risks - Discuss technical, cost, and schedule risks and describe what efforts are planned or underway to reduce risk and the consequences of failure to achieve goals. If concurrent development and production is planned, discuss its effects on cost and schedule risks.

Acquisition streamlining - If specifically designated by the requiring activity, discuss plans and procedures to stimulate industry involvement in recommending the most appropriate application and tailoring of contract requirements; select and tailor only the necessary and cost-effective requirements; and state the timeframe when certain specifications and standards will become mandatory.

Exhibit 2-2

CONTENTS OF AN ACQUISITION PLAN: PLAN OF ACTION

Sources - Indicate the prospective sources of supplies or services that can meet the need.

Competition - Describe how competition will be sought, promoted, and sustained throughout the course of the acquisition. If full and open competition is not contemplated, cite the authority for the use of other than full and open competition, including small, disadvantaged, and labor surplus area concerns.

Source selection procedures - Discuss timing for submission and evaluation of proposals, and the relationship of evaluation factors to the attainment of the procurement objectives.

Contracting considerations - Discuss contract type selections; use of multi-year contracting, options, or other special contracting methods; and special clauses, special provisions, or FAR deviations required; whether sealed bidding or negotiation will be used and why; whether equipment will be acquired by lease or purchase and why; and any other contracting considerations.

Budgeting and funding - Describe how budget estimates were derived and discuss the schedule for obtaining adequate funds at the time they are required.

Product descriptions - Explain the choice of product description types to be used in the acquisition.

Priorities, allocations, and allotments - Specify the method for obtaining and using priorities, allocations, and allotments, and the reasons for them.

Contractor vs. Government performance - Address consideration given to OMB Circular No. A-76.

Management information requirements - Discuss, as appropriate, what management system will be used by the Government to monitor the contractor's effort.

Make-or-buy - Discuss any consideration given to make-or-buy programs.

Test and evaluation - As applicable, describe the test program of the Government and the contractor. Describe the test program for each major phase of a major system acquisition. If concurrency is planned, discuss the extent of testing to be accomplished before production release.

**CONTENTS OF AN ACQUISITION PLAN:
PLAN OF ACTION**

Logistics considerations - Describe the assumptions determining contractor or agency support, both initially and over the life of the acquisition, including consideration of contractor or agency maintenance and servicing and distribution of commercial products. Describe the reliability, maintainability, and quality assurance requirements, including any planned use of warranties. Describe the requirements for contractor data and data rights, their estimated cost, and the use to be made of the data. Describe standardization concepts, including the necessity to designate, in accordance with agency procedures, technical equipment as “standard” so that future purchases can be made for the same manufacturing source.

Government-furnished property - Indicate any property to be furnished, including material and facilities, and discuss any associated considerations, such as its availability or the schedule for its acquisition.

Government-furnished information - Discuss any Government information to be provided, such as manuals, drawings, and test data.

Environmental considerations - Discuss environment issues associated with the acquisition, the applicability of an environmental assessment or environmental impact statement, the proposed resolution of environmental issues, and any environment-related requirements to be included in solicitations and contracts.

Security considerations - For acquisitions dealing with classified matters, discuss how adequate security will be established, maintained, and monitored.

Other considerations - Discuss, as applicable, energy conservation measures, standardization concepts, the industrial readiness program, the Defense Production Act, the Occupational Safety and Health Act, foreign sales implications, and other matters germane to the plan not covered elsewhere.

Milestones for the acquisition cycle — See Exhibit 2-1.

Identification of participants - List the individuals who participated in preparing the acquisition plan, giving contact information for each.

Exhibit 2-3 (Cont'd)